GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA

UNSTARRED QUESTION NO:2559
ANSWERED ON:16.08.2004
AMENDMENT IN APMC ACT .
Dasmunsi Shri Priya Ranjan

Will the Minister of AGRICULTURE be pleased to state:

(a) Whether the Government has amended the APMC Act;

(b) If so, the details thereof;

(c) Whether the Government is also reviewing the Contract Farming Act; and

(d) If so, the details thereof ?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI KANTI LAL BHURJA)

(a)&(b): With a view to strengthen agricultural marketing system in the country, this Ministry had constituted an Inter-Ministerial Task Force or, Agricultural Marketing Reforms. The Task Force in its report of 28.06.2002 has inter-alia recommended that State Governments should amend the State Agricultural Produce Marketing Regulations Act (APMC Act), wherever needed, to provide for the following:

i) Enabling private and cooperative sectors to establish and operate (including levy of service charge) agricultural marketing infrastructure and supporting services.

ii) Direct marketing of agricultural commodities from producing areas and fanner`s fields. without the necessity of going through licensed traders and regulated markets,

iii) Permitting ``Contract farming` programmes by processing or marketing firms. The market Committee within whose jurisdiction the area covered by contract farming agreement lies,should record the contract farming agreements and act as a protector of producer`s and processor`s interests with due legal support in its jurisdiction,

iv) Rationalization of levy of market fee by introducing single point levy of market fee in the entire process of marketing in the State .Levy of market fee should be more in the nature of service charge based on the quality of services provided.

The Ministry of Agriculture also formulated a model law on agricultural marketing to assist the States in the enactment of the suggested reforms. The Model Act has been circulated to all State Government/UT. Administrations for further follow up action as the subject matter falls with in their purview.

(c)&(d): No, Sir. There is no Act on Contract Farming. However, in the model law on agricultural marketing formulated by this Ministry, a separate chapter on contract farming agreement has been

included to provide for an institutional arrangement for registration of contract fanning companies, recording of contract farming agreements and for a time bound dispute redressal mechanism.